



Break the bonds!

Imagine the possibilities...

How did we incur a debt of \$1.29 million?

The money St. Margaret's owes today—\$1,288,000 to be exact—is what remains of the cost of building the Thrift Shop, and the wing containing our sanctuary and the rooms below.

The facilities these buildings replaced—a World War II-era barracks which served as the Thrift Shop and a sanctuary built in 1968—were either overcrowded or obsolete. Worshippers on Christmas and Easter spilled into the Narthex. Sunday school classes met in corridors.

Inspired by a vision of expanded service and ministry, St. Margaret's members contributed approximately \$4 million in two capital campaigns between 1999 and 2002. The proceeds of the first campaign were sufficient to pay off the mortgage on the old sanctuary and, together with additional funds contributed by the Thrift Shop, build a new Thrift Shop. Constructing the Thrift Shop before the sanctuary was a clear expression that the congregation valued ministry over monument.

The second campaign was not expected to cover the full cost of construction. The plan was to obtain a mortgage for the balance, and the parish did get a mortgage for roughly \$3 million. The payment on this mortgage was expected to be within the means of a growing membership, assuming historic growth rates, along with the appeal of the new sanctuary, which was consecrated in 2003.

As it turned out, the dot-com bust dampened the success of the campaign. In addition, attendance and membership dropped due to the disruption of construction. Membership growth was further discouraged by uncertainty brought on by the departure of the rector, followed by a series of interim leaders.

Hence, parish income didn't rise to the level required to sustain mortgage payments. In 2005, a creative plan to replace the mortgage by issuing bonds succeeded in reducing debt payments by \$100,000 per year. The refinancing also extended the repayment period to 25 years from 13 years.

In 2007, St. Margaret's entered into an agreement with Imagine Housing (formerly St. Andrews Housing Group) to sell a portion of our parking lot and build 41 units of affordable housing for veterans and people transitioning from homelessness. This plan helped St. Margaret's live its mission while raising \$1.4 million, which was used to repay some of the outstanding bonds and bring the repayment period back to 13 years.

A total of \$1.29 million in bonds now remains. If repaid on the original schedule, St. Margaret's will pay \$12,000/month for the next 13 years. Interest payments during this period will exceed \$625,000.

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How does the debt affect our ability to minister?

Because of the debt payments, which equal \$12,000 per month, St. Margaret's expenses exceed its income by an average of \$10,000 per month. To manage the burden of the debt, St. Margaret's has held auctions, cut operating expenses, reduced outreach funding, deferred maintenance, missed payments on its diocesan assessment and eroded its operating reserve. This has severely limited the resources available for ministry.

Through cost cutting measures, we reduced monthly operating expenses from \$80,000/month at the end of 2010 to \$57,000/month now. We achieved this by:

- Eliminating the parish bookkeeper position and combining the administrative assistant and parish administrator positions into one position that now includes the bookkeeping functions.
- Cutting or freezing salaries. The staff hasn't had a pay increase in two years. Low salaries are undermining our ability to keep talented people.
- Deferring payment of the diocesan assessment. We are current with this year's assessment, but owe the diocese \$89,000 for past years, even after the diocese forgave some of the debt.
- Deferring maintenance such as resurfacing the parking lot.
- Cutting ministry budgets to the bare minimum.

The Thrift Shop contributes about \$5,000/month to cover operating expenses and the debt on its construction. If our debt were eliminated, a greater proportion of Thrift Shop income could be devoted to St.

Margaret's outreach efforts.

Despite the above measures, we are steadily drawing down our cash reserve. We started 2011 with a reserve of \$165,000. By April 2012, even with a successful auction, that reserve will be entirely gone. A reserve of \$170,000 (three months' operating expenses) is recommended for a church of our size.



Now let's begin to imagine the possibilities!

What if the debt were eliminated? What could we do with the energy and money we now focus on it?

That's for the whole of the congregation to decide, and the process begins with the Imagine Gatherings in October. Here are ideas to prime the pump:

- Increase staffing to grow our Youth programs, targeting the different needs of senior and junior high youth.
- Create "scholarships" to cover the expenses of parishioners who lead or organize mission trips in the U.S. and abroad.
- Host a monthly supper for the residents of Andrews Glen.
- Develop our sanctuary as a center for the performance of sacred and other music.
- Develop programs to support parents and develop connection between them.
- Offer English as a second language classes for immigrants in our neighborhood.

What ministries stir your heart and move your soul? Whatever those might be, the prospects for pursuing them are improved if we eliminate the debt. Imagine the possibilities!

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Break the bonds! Campaign Calendar

- October 9 to November 9:
FAITH ALIVE! Bible Study Series
Sign up for a 4-week bible study series about God's gifts and how we use them.
- October 9 to November 2:
Imagine Gatherings
Meet with other parishioners in your neighborhood to talk about our dreams for St. Margaret's.
- November 5:
Day of Prayer for St. Margaret's
A prayerful day of contemplation, by the whole community of St. Margaret's, about our future.
- December 4:
Advance Commitments Gathering
An opportunity for those who wish to make early, inspirational financial commitments to our campaign.
- December 11:
All-Church Brunch and Children's Party
The entire congregation is invited to celebrate what St. Margaret's has been and will be.
- December 18:
Commitment Worship
During worship services, we will all be asked to make our financial commitment to the future of Saint Margaret's.

Bishop Rickel: "Future generations will know your hospitality and God's love"

To the Good People of God at St. Margaret's:

I write to endorse your upcoming debt reduction campaign, *Break the bonds: Imagine the possibilities!* If the result is as creative as this name, a great success it is bound to be! I have to also compliment the selection of Marc Rieke as campaign consultant. Marc has done quite a few campaigns in our diocese, and I have been impressed with every one. He fully grasps the connection between the Gospel and our call to give back.

I know you are calling this a debt reduction campaign, and by all means it is. However, I could make a case that it is much more. Yes it's true that the money collected will pay off debt. But I think it will do remarkably more.

I think what is most important about this campaign is the legacy it will leave. The debt you incurred gave you the remarkable building you now enjoy, and which you continue to share so generously with your diocesan family, and use to share the Good News of Jesus Christ with your surrounding community. Every bit of debt that is relieved creates new capacity for ministry now and in the future. And so yes, it is debt reduction, but it is also, and I would say most importantly, making a way for a new and exciting future.

St. Margaret's is so important to this diocese and to this community. Thank you for all you have done to make it so, and all you will do, so that future generations will know your hospitality and God's love.

Faithfully,



A handwritten signature in black ink, appearing to read "Gregory H. Rickel".

The Rt. Rev. Gregory H. Rickel
Bishop of Olympia



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Pray for St. Margaret's Community

A pivotal event in the ongoing conversation about St. Margaret's future and the Break the Bonds campaign will be a **Day of Prayer**. It will be held on Saturday, November 5, from sunrise to sunset, in St. Margaret's Sanctuary.

In the fifth century, St. Benedict structured a cycle of prayer for use at different times throughout the day. This cycle is the inspiration for liturgical prayer used in sacramental churches & monasteries around the world today, including the Daily Office of the Episcopal Church. We will be using an adaptation of Benedict's monastic liturgy for our own Day of Prayer, which will be broken down into 10 segments of one hour each. The word "liturgy" implies participation by the people, and that is our intention. Our aim is that every member of St. Margaret's will participate by submitting prayer requests and committing to attend on November 5 for at least one of the ten hours. Signup sheets are available in the Narthex for times beginning with 8 am and ending at 6 pm.

Our plan is to include the whole congregation, including children and youth. Babysitting will be available for two hours in the morning from 10:00am to noon and in the afternoon from 4:00 pm to 6:00. A program for Youth will also be available in the afternoon. These activities will be an extension of the liturgy in the Sanctuary.

Enclosed with the newsletter are copies of a prayer tent and a prayer request card, and other copies are available at the church. The prayer tent is intended to be folded and placed in a visible area of your home to serve as a stimulus for your family to offer prayers. You are encouraged to complete prayer

request cards and place them in the offering plate or the Prayer Box in the Narthex. You will also have an opportunity to write prayers at the hosted Imagine Gatherings.

A focus of our Sunday services is the Prayers of the People, and prayers of the people will also be a focus of our Day of Prayer on November 5. There we will use your prayer requests, collected over the next few weeks. Offer whatever prayer comes into your heart as you personally commune with our Lord.

Imagine St. Margaret's Future

A series of small **Imagine Gatherings** will be hosted in people's homes and at church to review our accomplishments as a congregation and to discuss St. Margaret's future. You will not be asked to make a financial commitment at these gatherings.

The gathering will include an audio-visual presentation, brainstorming about ministry opportunities and community outreach, a frank discussion of St. Margaret's current situation, as well as time for some food and fellowship. A trained leader will be on hand to moderate the conversation.

Everyone is encouraged to attend an Imagine Gathering, even if you do not anticipate being able to make a financial commitment. Each of us has a part to play in the future of St. Margaret's.

Look for an Imagine Gathering coming to a neighborhood near you.

Save the Date:

All-Church Brunch December 11

On December 11, join us for brunch and a special party for the children. Festivities will begin after the 8:45 service. There will be no 11 am service that day.